

# PRESS RELEASE

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## For Immediate Release

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## Contact Person

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Madison, Wisconsin -- Erik C. Peterson, United States Attorney for the Western District of Wisconsin, announced that Daniel Tepoel, 57, of Barnes, Wis., was sentenced today by Chief U.S. District Judge Barbara B. Crabb to 11 ½ years in federal prison for his role in a wire and mail fraud conspiracy and his lies to investigators. Tepoel was convicted of the offenses after a four-day jury trial in U.S. District Court in Madison on March 27, 2008. The jury found Tepoel guilty of all eight counts in the indictment. Tepoel was also ordered to pay restitution in the amount of \$775,000.

The proof at trial established that Tepoel and his co-conspirator obtained in excess of \$2.5 million from a fraud scheme they operated from late 1997 through March 2007. This scheme, commonly referred to as "prime bank scheme" or "high yield program," centered around false and fraudulent representations that Tepoel and his partner had unique access to international trading programs between the top "prime" banks in the world in which bank instruments are purchased at a discount and resold at a higher price, supposedly generating millions of dollars in profits.

Expert testimony by witnesses from the U.S. Office of the Comptroller of the Currency and the World Bank conclusively established that these prime bank

instruments simply do not exist, nor do the so-called trading programs purportedly involving such instruments.

From August 1999 to September 2001, Tepoel and his co-conspirator solicited individuals in the Western District of Wisconsin and elsewhere to invest in various forms of "prime bank guarantees"--all of which are bogus investments. The evidence further established that Tepoel and his partner did not transfer investor money into prime bank instruments as promised--which they could not have done because these programs do not exist--and instead spent the money on their own travel and personal living expenses; gave money to family members; and spent the money on construction materials and equipment for a failed resort project in Grenada called Cinnamon Hills.

When investors were not receiving the promised returns, Tepoel and his partner gave numerous excuses for the delay including: (1) the impact on world money trading by the events of September 11, 2001; (2) the supposed theft of the money by another individual; (3) the fact that the money was about to be released when the person who needed to sign the documents died of a heart attack; and (4) most recently, that the money was stolen by government operatives.

Tepoel also testified in his own defense and, at various points during direct and cross-examination, stated that he was not involved in any way with the scheme; that he was involved but only at the direction of his partner; that he had no knowledge of the scheme and did not spend any money; and, finally, that he had knowledge of his partner's activities, but was unaware of their illegality and only spent money with his partner's approval. The jury rejected this testimony and found Tepoel guilty on all

charges.

Tepoel's conviction is the result of a lengthy investigation conducted by the Federal Bureau of Investigation and U.S. Postal Inspection Service. The prosecution of the case was handled by Assistant U.S. Attorneys Meredith P. Duchemin and John W. Vaudreuil.

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